

**Follow-up Report  
KCATA**

July 2002

**City Auditor's Office**

**City of Kansas City, Missouri**

July 10, 2002

Honorable Mayor and Members of the City Council:

This follow-up of the special report on the Kansas City Area Transportation Authority (KCATA) was initiated by the City Auditor pursuant to Article II, Section 13 of the city charter. The follow-up focuses on improvements in public transit since our 1997 special report and on the progress made in establishing a regional public transportation system.

The Public Works Department and KCATA have made significant progress in implementing the recommendations in our 1997 report. Transportation across jurisdictional lines is more coordinated, ridership has increased—even among persons not dependent upon public transportation—and the city's oversight has been strengthened. A public transit policy was developed and KCATA's performance is now evaluated against established measurements. However, the City Council has not formally approved the policy and the city does not verify the performance information KCATA reports. We recommend the Public Works Director submit the transit policy for Council deliberation and establish mechanisms to verify KCATA's quarterly performance reports.

Although total transit funding from the federal and state governments have increased, some federal funding will expire soon. Several routes are dependent upon this funding, and without it, these routes could be discontinued. Expenditures have outpaced revenues in the city's Public Mass Transportation Fund, which is used to fund KCATA. The fund balance totaled about \$17 million in fiscal year 1996, but is expected to be only about \$63,000 by the end of 2003. With the fund balance nearly exhausted, city spending for transit will be limited to available revenues, and future reductions in Kansas City funding to KCATA of as much as \$8 million annually are anticipated.

The August 6<sup>th</sup> election includes a proposal to increase Missouri's transportation taxes. If passed, this measure could increase state funding to KCATA by \$10 million, potentially eliminating the impact of anticipated reductions in Kansas City transit funding but providing only limited additional funding for current transit services. We recommend the Public Works Director prepare a resolution for Mayor and City Council consideration supporting the proposed transportation tax increase.

Currently, local jurisdictions can decide whether or not they wish to fund public transit service. Without a metropolitan-wide financial commitment, potential riders cannot use public transportation to reach job sites or other opportunities in areas not served by the bus routes. Experts estimate that significant numbers of potential bus riders remain unserved by the current piecemeal system but also predict that significant investment in transit could result in substantial ridership increases, particularly in areas

currently underserved. Kansas and Missouri state laws provide potential sources of regional funding for transit. If the area is to benefit from a truly seamless public transit system, support must be established on a regional basis, with a commitment on the part of political leaders. Discussions of public transit issues with metropolitan area representatives have recently begun. We recommend the Public Works Director prepare a resolution for Mayor and Council consideration supporting the pursuit of regional funding. We also recommend the Mayor and City Council continue discussions with decision-makers in other local municipalities and area county governments regarding the establishment of regional funding for public transportation. Recognition of transit's importance, combined with the establishment of regional funding, provides the best opportunity for a metropolitan-wide public transportation system to become a reality.

The Public Works Director and the General Manager of KCATA received a draft of this report on June 14, 2002. Written responses from the Public Works Director and KCATA are included as appendices. We appreciate the courtesy and cooperation extended to us during this project by staff of the Public Works Department and KCATA. The audit team for this project was Julia Terenjuk and Gary White.

Mark Funkhouser  
City Auditor

---

# Follow-up Report: KCATA

---

## Table of Contents

---

Introduction	1
Objectives	1
Scope and Methodology	1
Background	2
Legislative Authority	2
City Funding	2
Area Transit Providers	3
Summary of the 1997 Report	3
Findings and Recommendations	5
Summary	5
The Public Transportation System Has Significantly Improved	6
Progress Made Toward Establishing a Regional Transportation System	6
Policy Changes Have Strengthened Oversight	7
Performance Measures Developed, but Need to Be Verified	9
Ridership Has Increased	10
Opportunities for Citizen Input Have Increased	12
Without Additional Funding Sources, Service May Be Reduced	13
Government Funding for Public Transit Has Increased, But More Is Needed	14
Dependence on City Funding May Cause Service Cutbacks	15
Regional System Will Require Regional Commitment and Funding	17
Transit Service Is Not Comprehensive	17
Transit Funding Increases Could Substantially Increase Ridership	18
Surveys Suggest Public Supports Increased Transit Spending	20
Regional Transit Funding Is Preferred	21
Increasing Transit Funding Requires Pro-Transit Commitment by Area Political Leaders	21
Potential Sources of Regional Funding Exist	22
Recommendations	23
Appendices	
Appendix A: Prior Report Recommendations	25
Appendix B: ARTS Reports	29
Appendix C: Public Works Director's Response	33
Appendix D: KCATA's Response	37

---

## Follow-up Report: KCATA

---

### List of Exhibits

1. Municipalities Served by KCATA, 1980, 1996, and 2001	6
2. Public Transit Policy for Kansas City, Missouri	8
3. Average Weekday Ridership, 1984 to 2000	11
4. Comparison of Ridership Goals and Achievement	11
5. Bus Rider Responses – Reasons for Riding KCATA	12
6. Metro Rider Responses to Bus Service Statements	13
7. Government Funding for KCATA, 1996 – 2001	14
8. KCATA Funding from Local Municipalities, 1996 – 2000	15
9. Public Mass Transportation Fund Activity, Fiscal Years 1996 to 2003	16
10. Potential Transit Investment and Ridership Increases	18
11. Estimated Transit Ridership Increases Resulting from Funding Increases	19
12. Perceptions of the Current Public Transit System	20
13. Perceptions of Public Transit Funding	20
14. Residents' Support for Local vs. Regional Taxes for Transit	21

---

## Introduction

---

## Objectives

This follow-up of the special report on the Kansas City Area Transportation Authority was conducted pursuant to Article II, Section 13 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the City Auditor's primary duties.

This follow-up focuses on improvements in public transit since our 1997 special report and on the progress made in establishing a regional public transportation system. The project was designed to answer the following questions:

- Has public transit service improved?
- What progress has been made in establishing a regional public transportation system?
- Are there barriers impeding additional progress in establishing a regional transit system?

---

## Scope and Methodology

This project was completed in accordance with generally accepted government auditing standards. Methods included:

- Interviewing staff in the Public Works and City Planning and Development departments, and staff at KCATA.
- Reviewing agreements between Kansas City, Missouri, and KCATA.
- Reviewing state statutes, city regulations, KCATA financial statements and performance reports, and studies and literature on public transportation systems.
- Interviewing elected officials in the metropolitan area and regional transit experts regarding public transportation issues.

No information was omitted from this report because it was deemed privileged or confidential.

---

## **Background**

### **Legislative Authority**

The Kansas City Area Transportation Authority (KCATA) is a public agency authorized by law to plan, own, operate, and manage the public transportation system and facilities in the area.

KCATA was created through a compact between the Missouri and Kansas legislatures and approved by the United States Congress to address transit needs in the metropolitan area encompassing Cass, Clay, Jackson, and Platte counties in Missouri, and Johnson, Leavenworth, and Wyandotte counties in Kansas. The KCATA Board of Commissioners establishes the authority's policies and oversees management. The board consists of 10 individuals: five resident voters of Missouri and five resident voters of Kansas.

### **City Funding**

While KCATA operations are funded through a combination of federal, state, and local dollars, and fares charged to bus riders, a majority of its funding comes from Kansas City, Missouri. The city pays for public mass transportation services from the Public Mass Transportation Fund. The money in the fund comes from revenue raised by the transportation sales tax, a sales tax of  $\frac{1}{2}$  of 1 percent established in 1971 to be used for transportation purposes. Statutory restrictions limit fund use to supporting the public mass transportation system; construction and maintenance of streets, roads, and bridges; acquisition of land and rights-of-way; and related planning and visibility studies.

The city paid KCATA about \$22 million for public mass transit service in fiscal year 1997.<sup>1</sup> The city has contracted to pay about \$28 million for regular transit services in fiscal year 2003.

---

<sup>1</sup> The city also provides KCATA with funding to operate the Share-A-Fare Program, and to provide specialized services such as vanpools and reverse commute programs.

## Area Transit Providers

Three agencies provide transit service in the Kansas City metropolitan area. KCATA (“The Metro”) provides bus and demand response services throughout Kansas City, Missouri, the portion of Kansas City, Kansas east of I-635, and provides some form of transit service to 13 local municipalities primarily through service contracts with these municipalities. (See Exhibit 1 on page 6.) In addition, Johnson County Transit (“The Jo”), provides a transit service serving the northeastern part of the county, with most routes oriented to the Kansas City, Missouri, downtown area. The service is operated and funded as part of the Johnson County Public Works Department. The Unified Government in Wyandotte County operates “The Bus”, serving the portion of Kansas City, Kansas, west of I-635.<sup>2</sup>

## Summary of the 1997 Report

Our 1997 special report<sup>3</sup> found that the city had no policy identifying its goals and objectives regarding public transportation. As a result, KCATA operated without benchmarks for determining how effectively it fulfilled the city’s expectations. Further, the city’s contract did not include mechanisms for assessing the quality of service received.

We concluded a regional system would contribute to the area’s economic development by allowing the transit dependent to fill positions throughout the metropolitan area. KCATA provided more than 90 percent of its service within city limits. Shifts in population and employment locations contributed to declining ridership as most riders used the Metro to travel to and from work. Most riders lacked alternative forms of transportation. Limiting the transportation system to Kansas City prevented these riders from the opportunity to pursue the growing employment opportunities outside of the city.

We recommended the City Manager develop a public transit policy and include a transit component to the city’s review process for development proposals. We recommended the Public Works Director improve future KCATA contracts, establish accountability mechanism, and monitor KCATA performance, including progress in establishing a regional public transportation system. (See Appendix A.) Audit Report Tracking System reports submitted by management are included as Appendix B.

---

<sup>2</sup> *Transit Governance Study Report*, Lathrop & Gage, The Murguia Firm, and Taliaferro & Brown, July 1, 2000, p. 23.

<sup>3</sup> *KCATA: An Effective Regional Transit System Is Needed*, Office of the City Auditor, City of Kansas City, Missouri, March 1997.





---

## Findings and Recommendations

---

### Summary

The Public Works Department and KCATA have made significant progress in implementing the recommendations in our 1997 report. Transportation across jurisdictional lines is more coordinated, ridership has increased by about 8 percent, a city public transit policy has been developed, and the city's oversight of KCATA has been strengthened. We recommend the Public Works Director present the transit policy to the City Council for deliberation and establish mechanisms to verify performance information reported by KCATA.

Although combined transit funding from the federal and state governments has increased, a portion of the federal funding will soon expire, and routes dependent on this funding may discontinue without it. Expenditures have outpaced revenues in the city's Public Mass Transportation Fund, which is used to fund KCATA, and the fund balance is expected to decline to about \$63,000 by the end of 2003. With the fund balance nearly exhausted, future reductions in Kansas City funding to KCATA of as much as \$8 million annually are anticipated. The August 6<sup>th</sup> election includes a proposal to increase Missouri's transportation taxes. If passed, this measure could increase state funding to KCATA by \$10 million, potentially eliminating the impact of anticipated reductions in Kansas City transit funding, but little additional dollars. We recommend the Public Works Director prepare a resolution for Mayor and City Council consideration supporting the proposed transportation tax increase.

Experts estimate that significant numbers of potential bus riders remain unserved by the current piecemeal system, as local jurisdictions can decide whether or not they wish to fund transit service. Significant progress toward a regional public transportation system depends on additional funding, which could substantially increase ridership. Potential sources of regional funding are available, according to Missouri and Kansas statutes, and metropolitan area residents and employers support funding increases. A regional public transit system requires commitment and support from area political leaders and discussions have recently begun. We recommend that the Mayor and Council support regional funding for public transit and continue participating in discussions with other area decision-makers to improve the public transportation system.

---

## The Public Transportation System Has Significantly Improved

The Public Works Department and KCATA have made considerable progress in addressing the recommendations in our 1997 report and improving the public transportation system. Transportation across jurisdictional lines is more coordinated, with new routes to other municipalities and links to job sites. A public transit policy has been developed, the KCATA board is more accountable to the city, transit is considered when discussing proposed development, the city's non-involvement in negotiations between KCATA and its transit union is detailed in annual agreements, and performance measures were established. Ridership has increased with more riders choosing the bus instead of other transportation alternatives. Opportunities for public feedback have increased and customer satisfaction surveys are positive.

### Progress Made Toward Establishing a Regional Transportation System

**Increased coverage.** KCATA now provides some form of transit service to 13 area municipalities, including areas not previously served, and areas where service had been discontinued. (See Exhibit 1.)

Exhibit 1. Municipalities Served by KCATA, 1980, 1996, and 2001

Municipality	1980	1996	2001
Belton, Missouri			X
Blue Springs, Missouri	X		X
Gladstone, Missouri	X	X	X
Grandview, Missouri			X
Independence, Missouri	X	X	X
Johnson County, Kansas	X		X
Kansas City, Kansas	X	X	X
Kansas City, Missouri	X	X	X
Lee's Summit, Missouri	X		X
Liberty, Missouri	X		X
North Kansas City, Missouri	X	X	X
Raytown, Missouri	X		X
Riverside, Missouri			X

Sources: *KCATA: An Effective Regional Transit System Is Needed*, City of Kansas City, Missouri, City Auditor's Office, March 1997, p. 13; and Public Works Department staff.

**Increased service.** KCATA's quarterly progress reports indicate service improvements such as upgrading the bus fleet, construction of transit centers, rerouting and rescheduling, and using small buses. Several commuter routes connecting downtown Kansas City with other local municipalities were added, along with job link routes. Additionally, a vanpool program reaches areas not served by other public transit services.

**Cooperation with other entities has improved.** KCATA actively cooperates with Johnson County’s “The Jo” and Wyandotte County’s “The Bus” through coordinated schedules, a single information telephone number, and a coordinated transfer program in which transfers issued by one transit service provider are accepted by the others.<sup>4</sup> KCATA also provides procurement, marketing, and grant writing assistance to these agencies and participates in joint studies.

### **Policy Changes Have Strengthened Oversight**

Several policy improvements took place since our 1997 report. Changes in state law regarding the selection of board members resulted in a board that is more accountable to the city. The city developed a policy identifying its goals and objectives regarding public transportation. The developed policy recognizes the importance of efficient regional public transportation service.

**City’s board representation increased.** Changes to the selection process for KCATA board members resulted in a board that is more accountable to the city. Following our March 1997 report, KCATA hired consultants to review transit system governance and financing. The resulting Metropolitan Transit Initiative Demand Assessment Report (MTIDA) sought to identify transit alternatives favored by area residents.<sup>5</sup> The November 1998 report recommended reviewing the governance and system management.

In July 2000, the review of transit governance was completed.<sup>6</sup> Recommendations included changing the method in which KCATA board members are appointed. The Missouri legislature modified the appointment process during the 2000 session.<sup>7</sup>

The Mayor of Kansas City, Missouri, is now involved in appointing three members of the board. The position representing Kansas City, Missouri, must be a resident of the city and is directly appointed by the Mayor. The Mayor also appoints positions representing Platte County and Clay County from a panel of three persons submitted by the county commissions. Before the changes took place, none of the board members were directly appointed by the city.

**A public transit policy was developed.** The city now has a policy stating the city’s goals and objectives regarding public transportation.

---

<sup>4</sup> *Transit Governance Study Report*, pp. 23-24.

<sup>5</sup> *Metropolitan Transit Initiative Demand Assessment, Final Report*, TranSystems Corporation, in association with ETC Institute, Inc., the ROSE Research Group, LLC, and Balloffet & Associates, Inc., November 1998.

<sup>6</sup> *Transit Governance Study Report*.

<sup>7</sup> SB 1073 and SB 881, effective August 28, 2000.

Developed in 1997, the policy has been included in all transit agreements between Kansas City, Missouri, and KCATA since May of 1997. The policy is shown in Exhibit 2.

Exhibit 2. Public Transit Policy for Kansas City, Missouri

The City of Kansas City, Missouri, realizes the importance and value of efficient, safe, regional, customer-oriented public transportation service to the quality of life of its own citizens and visitors, and to other citizens in the metropolitan area. It also recognizes the role which public transportation can play in creating and sustaining a city which is energy and resource efficient. It has therefore developed the following policy which will guide its future decision regarding public transit.

1. Public transit should be provided on a regional, inter-jurisdictional basis by a flexible, multi-modal system which utilizes the roadway system and is responsive to the needs of riders.
2. Public transit should be funded on an equitable, multi-jurisdictional basis.
3. Public transit system must include planning and service delivery capabilities which enable it to respond to transportation related priorities and needs with appropriate modes such as fixed-route large and small busses, flexible route services, Para transit services and vanpools.
4. Quality and cost-efficiency characteristics of the public transit system should be evaluated annually. These will include travel time, user and citizen satisfaction, safety, cost per passenger and cost per mile of operation.
5. Public transit should be continuously marketed, both to maintain public support for its continuance, and to inform citizens how to use it.
6. Citizens must be provided frequent opportunities to be involved in decisions affecting the public transit system.
7. Development and redevelopment projects should be encouraged to locate in areas on or near current or proposed public transit routes and should include accommodations for use of public transit. Public transit system staff should play an active role in the review of proposals for all such projects.
8. The public transit system should play an active role in improving transit-supportive infrastructure, such as sidewalks and bicycle facilities and the creation of services by transit riders.
9. The public transit system should provide user-friendly connections with all modes of inter-city travel.
10. The provider of this public transit system should:
  - Coordinate jobs transportation on a region-wide basis.
  - Determine regional transit needs, in cooperation with MARC and other providers.
  - Determine regional transit resources, in cooperation with MARC and all other transit providers.
  - Develop recommendations as to how resources can be used to meet regional needs, in cooperation with MARC and all other transit providers.

---

Sources: Kansas City, Missouri – KCATA Agreements for Transit Service and Share-A-Fare Administration, fiscal years 1998 through 2003.

**Formal policy approval is needed.** Although the public transit policy has been included in all annual agreements with KCATA since August 1997, the policy was never formally adopted by the City Council. According to Public Works staff, approval has been assumed by the City Council's annual approval of the KCATA contracts. We recommend the Public Works Director seek formal approval of the public transit policy.

**Transit is considered during development planning.** The annual agreement with KCATA for fiscal year 1998 included a paragraph requiring a KCATA representative participate in the city's Plats Review and Redevelopment Coordinating Committees. Our 1997 report recommended the City Manager add a transit component to the city's review process for development proposals. Planning and Development staff report that since then, a KCATA representative regularly attended the committee meetings, providing information on current and planned transit services in the development area. Copies of the committee agendas are routinely sent to KCATA.

**KCATA contracts express city's neutrality in labor negotiations.** Annual agreements since 1998 specifically state the city is not part of any labor negotiations between KCATA and the Amalgamated Transit Union (Local 1287.) This addition to annual agreements was in response to our 1997 report recommendation.

### **Performance Measures Developed, but Need to Be Verified**

Annual contracts between the city and KCATA now include performance measures that KCATA seeks to accomplish during the contract period. They also specify KCATA will meet quarterly with the city's liaison to review transit operations including performance results. Prior to 1997, the city did not have a means of identifying how well KCATA provided transportation services. Our 1997 report recommended that a set of performance measures be established to evaluate KCATA's progress in improving the quality of public transportation services, increasing ridership, and developing a regional public transportation system.

The Public Works Department developed a set of performance measures that KCATA now uses to report its progress on a quarterly basis. The department does not, however, verify the data submitted, weakening the effectiveness of the city's oversight.

**Performance measured in six areas.** Performance measures developed by the Public Works Department cover various aspects of transit service provided by KCATA. Measures were developed in six categories:

- Ridership
- Route effectiveness
- Safety and reliability
- Marketing
- Regional transportation
- Other efforts

**Lack of verification weakens city oversight.** The city does not verify the information submitted by KCATA in quarterly performance reports. Accepting the information provided by KCATA without verification poses potential risks to the effectiveness of the city's performance measurement process.

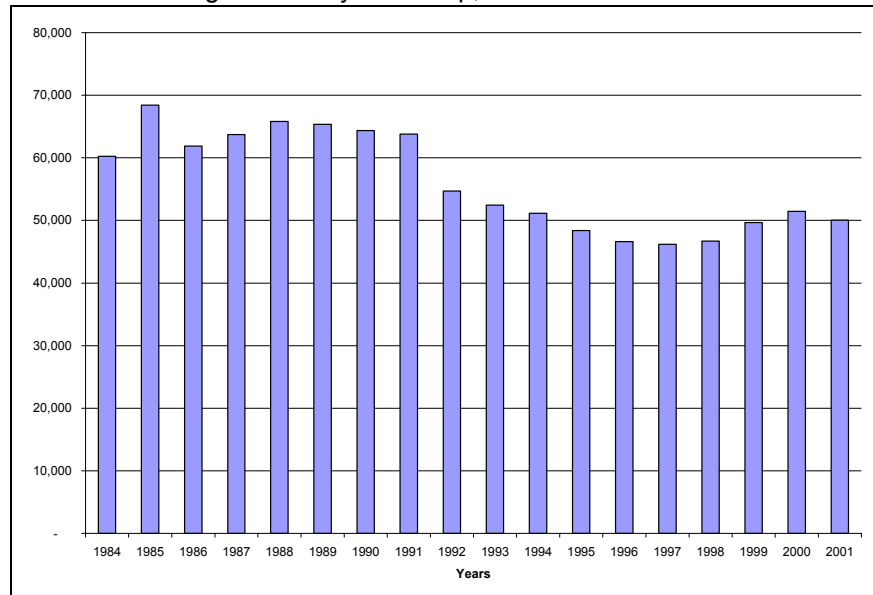
When assessing performance, data should meet reasonable tests of validity, reliability, and timeliness. Funding agencies should periodically review data collection procedures and the completeness, accuracy, and consistency of the data. The Public Works Department should develop a system for periodic verification of the performance data submitted by KCATA to ensure that the data can be used to assess operating performance.

### **Ridership Has Increased**

Ridership has increased by about 8 percent since our original report. Ridership levels exceeded performance goals established in 1999 and 2000 but the goals were not achieved in 1998 and 2001. More people who are not "transit dependent" are choosing to ride KCATA for reasons such as traffic problems and protecting the environment.

**Ridership is up overall.** In 1997, an average of 46,192 passengers rode the Metro per weekday. By 2001, the average had risen about 8 percent, to 50,067 passengers per weekday. Ridership levels in 2001 are slightly below what was reported in 2000. (See Exhibit 3.)

Exhibit 3. Average Weekday Ridership, 1984 to 2001



Source: KCATA staff.

**Some ridership goals were not achieved.** Although ridership has increased overall since 1997, performance lagged behind the established goals in two of the last four years. The performance goal has been to increase average weekday ridership by 2 percent every year with the previous year's actual ridership level serving as the benchmark for the next year. The ridership goals for 1998 and 2001 were not achieved. (See Exhibit 4.)

Exhibit 4. Comparison of Ridership Goals and Achievement

Year	Goal	Actual
1998	47,116	46,682
1999	47,616	49,656
2000	50,649	51,450
2001	52,479	50,067

Sources: Kansas City, Missouri – KCATA Agreements for Transit Service and Share-A-Fare Administration, fiscal years 1998 through 2002.

The KCATA contract for the period ended April 30, 2003, changes how ridership is measured. Instead of establishing a goal for increasing average weekday ridership, the performance measure is an increase in passengers per platform hour of service.<sup>8</sup> In 2001, the average was 18.6. The performance goal for 2002 is a 1.5 percent increase or 18.9 passengers per platform hour of service.

<sup>8</sup> Platform hours represent the time that a vehicle leaves the garage until it returns to the garage. Technically, it is the time during which a vehicle generates an expense. It includes revenue hours, deadhead hours, (travel time to and from the garage when the bus is not accepting passengers) and layover hours.



**Riders with alternatives are choosing to take the bus.** More people who are not “transit dependent” are choosing to ride the Metro. “Transit dependent” refer to people who do not have access to, or the ability to use, their own private vehicle and are dependent on available public transit services.

While a majority of KCATA riders remain transit dependent, customer satisfaction surveys suggest more riders are using public transportation for other reasons. In 1995, almost 56 percent of KCATA riders reported riding the bus because they had no car available or it was their only alternative. In 2001, about 43 percent gave the same response. The 2001 survey indicated increases in the percentages of bus riders who responded that they ride the bus for other reasons, including saving money on travel, avoiding traffic or parking problems, and environmental concerns. (See Exhibit 5.)

Exhibit 5. Bus Rider Responses – Reasons for Riding KCATA

Responses	1995	2001
No car available/only alternative	55.9%	42.9%
More convenient than driving	17.3%	N/A <sup>9</sup>
The bus is cheaper	10.1%	20.4%
Parking is a problem	3.2%	6.7%
Traffic is bad	1.1%	11.4%
Environment	0.3%	8.0%
Other	10.6%	4.7%

Sources: *Summary of Marketing Research Findings – Kansas City Area Transportation Authority*, (Shawnee Mission, Kansas: Flaspohler Rose Marketing Research Inc., 1995), Customer Onboard Survey, p. 43; *Kansas City Area Transportation Authority – On-Board Customer Satisfaction Survey* (Kansas City, Missouri: Essential Market Research, Inc., May 2001), p. 10.

### Opportunities for Citizen Input Have Increased

Prior to 1997, no formal organization represented citizen’s interests on transit issues. Since the release of our original report, several changes were implemented that increased the public’s input into transportation issues and customer satisfaction surveys are positive.

**A citizens’ advocacy group was formed.** In 1998, the Regional Transit Alliance (RTA) was formed to encourage public support for regional transit. The alliance reflects a broad range of community interests. Over 30 organizations and individuals joined forces with MARC to advocate for a regional approach to transit and transit supportive development in the region. RTA promises to carry out its mission through public

<sup>9</sup> The survey form used in 2001 did not include convenience as a possible reason for riding the bus.

education and involvement; support of transit service developments; communications and consensus building; and advocacy.

**KCATA routinely seeks input from transit patrons.** Prior to 1997, opportunities for public input were limited to periodic marketing surveys and in-house monthly customer complaint/comment reporting. KCATA contracts for fiscal year 2002 and 2003 asked KCATA to share the monthly customer reports with the city. The agency also conducted a customer satisfaction survey in 2001. This major customer research effort is expected to continue.

**Customer satisfaction indicators are high.** Results of the 2001 customer satisfaction survey also show that riders are satisfied with the transportation services KCATA provides. Riders were asked their opinion on a number of statements regarding bus service. In almost all cases, a majority of riders agreed with the statements. (See Exhibit 6.)

Exhibit 6. Metro Rider Responses to Bus Service Statements

Statement	Agree	Disagree	No Answer
Metro is reliable	85.1%	9.7%	5.2%
Metro is on-time	69.3%	20.1%	10.6%
Metro is clean	65.3%	23.5%	11.1%
Metro buses are comfortable	70.2%	18.2%	11.6%
Metro is convenient	85.7%	7.5%	6.9%
Metro is economical	86.5%	5.2%	8.3%

Source: *Kansas City Area Transportation Authority – On-Board Customer Satisfaction Survey* (Kansas City, Missouri: Essential Market Research, Inc., May 2001), pp. 20-26.

More than 8 out of 10 riders reported that the service is reliable. Over 85 percent of riders perceive Metro to be convenient and economical. Around two-thirds of riders perceive the service to be on time and the buses to be clean.

---

## Without Additional Funding Sources, Service May Be Reduced

Although total transit funding from the federal and state governments has increased, a portion of the federal funding will soon expire. Several routes, dependent on this funding, could discontinue without it. KCATA funding from local governments has also increased, but Kansas City, Missouri, remains the primary contributor. Expenditures have outpaced revenues in the Public Mass Transportation Fund used by Kansas City to provide KCATA funding. The fund balance is expected to drop from approximately \$17 million in fiscal year 1996 to an estimated \$63,000 by the end of 2003.

With the fund balance nearly exhausted, city spending for transit will be limited to available revenues, and future reductions in Kansas City funding to KCATA of as much as \$8 million are anticipated. The August 6<sup>th</sup> election includes a proposal to increase Missouri's transportation taxes. If passed, this measure could increase state funding to KCATA by \$10 million, possibly eliminating the impact of anticipated reductions in Kansas City transit funding, but providing only limited additional funding for current transit services.

### **Government Funding for Public Transit Has Increased, But More Is Needed**

In 1996, state and federal funds provided approximately 4 and 7 percent of KCATA's government funding, while local governments contributed the remainder. For fiscal year 2001, KCATA received approximately 73 percent of its funding from local governments with about 6 percent provided by the state and 21 percent provided by the federal government. Total federal and state contributions reached \$11.9 million in 2001, compared to \$2.9 million received in 1996. (See Exhibit 7.)

Exhibit 7. Government Funding for KCATA, 1996 – 2001

Funding Source	1996	1997	1998	1999	2000 <sup>10</sup>	2001
Federal	\$1,904,384	\$1,583,582	\$1,998,284	\$3,383,176	\$18,108,682	9,437,246
State	1,000,000	1,409,326	2,409,326	2,409,326	2,512,342	2,511,561
Local	24,391,153	24,070,172	24,990,073	26,505,621	29,568,176	32,448,815
Totals	\$27,295,537	\$27,063,080	\$29,397,683	\$32,298,123	\$50,189,200	44,397,622

Sources: KCATA Financial Statements, 1996 – 2001.

**Without additional funds, routes financed with federal funds could cease operating in 2002.** Currently, the Congestion Mitigation and Air Quality Improvement (CMAQ)<sup>11</sup> funds are used to finance the following commuter express routes:

- #152 Raytown/Lee's Summit to Downtown
- #158 Belton to Downtown
- #170 Blue Springs to Downtown
- #260 Johnson County/Wyandotte County

According to KCATA staff, CMAQ funding for these routes will end during 2002. Public Works staff report that although ridership on these

<sup>10</sup> Revenue figures for 2000 were revised in 2001 financial statements to reflect implementation of GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

<sup>11</sup> CMAQ funds are used to support transportation projects in air quality nonattainment areas. A CMAQ project must contribute to the attainment of the national ambient air quality standards by reducing pollutant emissions from transportation sources.

routes is high, some of the local municipalities are unwilling to contribute funding to maintain them. KCATA staff indicate that if the municipalities involved will not pick up the costs and no other funding source is identified, the routes will be discontinued.

### **Dependence on City Funding May Cause Service Cutbacks**

Kansas City provides almost all of the local transportation funding. Revenues in the city's Public Mass Transportation Fund increased almost 12 percent between fiscal years 1996 and 2000, while expenditures for transit and other city activities increased about 30 percent during the same period. By the end of the current fiscal year, the balance in the fund is expected to be less than \$63,000. With the fund balance nearly exhausted, spending for transit will be limited to available revenues unless other funding sources are identified.

**Kansas City provides almost 95 percent of the local funding to KCATA.** Funding from local government sources to KCATA increased from over \$25 to almost \$29 million between 1996 and 2000. Kansas City's funding to KCATA, from a dedicated sales tax, rose from \$23.7 million in 1996 to more than \$27 million in 2000. The city's contribution represents 94 percent of the funding provided by local sources. (See Exhibit 8.)

Exhibit 8. KCATA Funding from Local Municipalities, 1996 – 2000<sup>12</sup>

Source	1996	1997	1998	1999	2000
Kansas City, MO	\$23,705,633	\$23,691,132	\$25,079,362	\$26,230,772	\$27,179,540
Kansas City, KS	1,079,357	894,785	611,819	926,043	854,904
Independence, MO	577,444	479,668	649,632	669,120	678,156
North Kansas City, MO	74,790	71,580	70,560	118,048	142,625
Liberty, MO	0	0	22,159	24,900	21,252
Gladstone, MO	17,256	14,728	15,684	14,991	16,420
Riverside, MO	0	0	0	3,375	13,500
Totals	\$25,454,480	\$25,151,893	\$26,449,216	\$27,987,249	\$28,906,397

Source: KCATA staff.

**Limited revenue growth could lead to service cuts.** The city's Public Mass Transportation Fund is used to pay KCATA for transit services. Revenues in the fund come from sales taxes, interest, licenses and permits, and other sources. Between fiscal years 1996 and 2003, fund revenues increased almost 12 percent, from approximately \$26.5 million in 1996 to an estimated \$29.5 million in 2003. Expenditures increased about 30 percent during the same period, from approximately \$25.2 million in 1996 to an estimated \$32.8 million in 2003. (See Exhibit 9.)

<sup>12</sup> Includes payments for management services provided by KCATA to the municipalities.

Exhibit 9. Public Mass Transportation Fund Activity, Fiscal Years 1996 to 2003

Fiscal Year	Revenues	Expenditures <sup>13</sup>	Transfers-Out	Fund Balance
1996	\$26,496,862	\$25,214,046	\$176,062	\$16,859,431
1997	26,853,313	25,758,612	214,844	17,739,288
1998	27,653,831	26,946,622	369,485	18,077,012
1999	28,879,587	28,713,156	2,361,329	15,882,114
2000	27,768,770	30,482,816	916,770	12,251,298
2001	29,680,338	32,282,233	476,568	9,172,835
2002 (estimated)	29,737,532	32,375,648	1,062,801	5,471,918
2003 (budgeted)	29,554,666	32,760,888	2,202,845	62,851

Sources: Adopted budgets, FYs 1998 to 2002, Submitted Budget 2003.

In addition to funding transit services, the fund was used to pay for other activities, including streetlight debt, special allocations, and reserves for STIF/TIF<sup>14</sup> expenditures. In all, transfers out of the fund were approximately \$7.8 million during fiscal years 1996 to 2003. In fiscal year 1996, the fund balance in the city's Public Mass Transportation Fund totaled approximately \$17 million. According to the Submitted Budget for 2003, the ending balance in the Public Mass Transportation Fund is expected to drop to \$63,000. With the fund balance nearly exhausted, Kansas City's spending for transit will be limited to available revenues unless other funding sources are identified. The KCATA General Manager reports that a reduction in Kansas City funding to KCATA of as much as \$8 million dollars annually is anticipated.

**Recent transportation legislation could offset anticipated KCATA funding reductions.** The Missouri legislature recently approved a measure to submit to voters a proposal to increase in funding for transportation. If approved in August 2002, the ballot measure would increase the motor fuel tax and sales taxes. Twenty percent of the additional revenues from the sales tax increase would be used for transportation purposes other than highways. Thirty-three percent of this amount will be used for capital improvements, excluding the operational costs, of public transportation facilities or projects.<sup>15</sup>

The KCATA General Manager estimates a net increase in state funding of \$10 million if voters approve the state transportation tax increase. If correct, this amount could offset the \$8 million in anticipated reductions in KCATA funding from Kansas City, Missouri, but provide limited additional funding for public transit services. We recommend the Public

<sup>13</sup> Reported expenditures are adjusted to account for liquidated encumbrances.

<sup>14</sup> STIF/TIF are forms of development incentives whereby tax revenues generated by individual development projects are reimbursed to the developers to pay for qualified redevelopment project costs.

<sup>15</sup> Missouri Senate Bill 915.

Works Director prepare a resolution for Mayor and City Council consideration supporting the proposed transportation tax increase.

---

## **Regional System Will Require Regional Commitment and Funding**

Although ridership has increased overall, sections of the metropolitan area remain inaccessible by public transit. Service is not comprehensive, and area municipalities decide individually whether or not to fund routes going to their area. This piecemeal system prevents a seamless area transportation system, and can limit riders' ability to participate in employment or other opportunities in the areas not providing transit funding.

Significant progress toward a regional public transportation system depends on additional funding. Transit funding increases could substantially increase ridership, particularly in areas currently underserved. Perceptions of transit by area residents and employers recognize it is inadequate and in need of additional funding. Regional transit funding is preferred and mechanisms to provide it exist. Progress will also require that political leaders throughout the region recognize the importance of public transit, and make it a priority. FOCUS supports regional public transportation and recommends cooperative efforts. Recently, Kansas City's Mayor invited other mayors, council members, county commissioners, and local metropolitan area officials to discuss regional transit. Recognition of transit's importance, combined with the establishment of regional funding provides the best opportunity for a regional transit system to become a reality.

### **Transit Service Is Not Comprehensive**

The present Kansas City area transit funding system allows each community or political jurisdiction to decide individually whether to fund transit, making it impossible to develop a seamless regional transit system without gaps in areas where there is no local funding.<sup>16</sup>

The 1998 Metropolitan Transit Initiative Demand Assessment (MTIDA) report concluded that although parts of the metropolitan area have adequate or better transit service, comprehensive coverage is unavailable. The Mid-America Regional Council and the Greater Kansas City Chamber of Commerce initiated this study of potential transit demand throughout the Kansas City metropolitan area. The study was directed

---

<sup>16</sup> *Transit Governance Study Report*, p. 74.

by the Metropolitan Transit Steering Committee, a joint committee of MARC and the Chamber, consisting of local elected officials, business leaders, and other community interests. The purpose of the study was to determine market needs, and to better understand what public transit alternatives metropolitan area residents will actually use, if available.<sup>17</sup>

The MTIDA report estimates that the combined service area of the three fixed route transit operators serve about 50 percent of the metropolitan area's population. The report estimates average weekday ridership at 52,400. Ridership in the urban core is estimated to be 42,000. Even in areas supported by transit, the report concludes that the services provided are limited to peak periods, Monday through Friday. Only about 15 percent of the metropolitan population (200,000 people) are afforded service six or seven days a week, and this higher level of service is limited to the core areas of Kansas City, Missouri, and Kansas City, Kansas. Portions of the metropolitan area have no transit service at all.<sup>18</sup>

### **Transit Funding Increases Could Substantially Increase Ridership**

The MTIDA report concludes that increases in transit investment and changes in how transit is currently being delivered could significantly increase ridership in both the urban core and the remainder of the metropolitan area.

Transit investment increases proposed in the study include an initial capital investment and annual operating and capital costs. The MTIDA report suggested two potential increases, identified as level 1 (moderate increase) and level 2 (high increase). The amount of the funding increase determines the anticipated increase in ridership. (See Exhibit 10.)

Exhibit 10. Potential Transit Investment and Ridership Increases

Service Level	Initial Capital Cost	Annual Operating Cost	Annual Capital Cost	Estimated Average Weekday Ridership
Existing System	N/A	\$45,000,000	\$ 9,000,000	52,400
Level 1	\$50,000,000	70,000,000	14,000,000	100,000
Level 2	65,000,000	80,000,000	16,000,000	122,000

Source: *Metropolitan Transit Initiative Demand Assessment, Final Report*, TranSystems Corporation, in association with ETC Institute, Inc., the ROSE Research Group, LLC, and Balloffet & Associates, Inc., November 1998, pp. 70 and 76.

The MTIDA report estimates a level 1 investment increase of \$80 million over costs for the existing system could increase overall ridership by 91 percent. A level 2 increase of \$107 million could increase

<sup>17</sup> *Metropolitan Transit Initiative Demand Assessment Final Report*, p. 6.

<sup>18</sup> *Metropolitan Transit Initiative Demand Assessment Final Report*, p. 10.

ridership by 133 percent throughout the metropolitan area, from 52,400 to 122,000. Ridership in the core with a level 2 increase is expected to increase from 42,000 to 71,000, an increase of 69 percent. This is the area with the lowest anticipated growth, because the core already has the highest level of transit usage and service.<sup>19</sup> (See Exhibit 11.)

Exhibit 11. Estimated Transit Ridership Increases Resulting from Funding Increases

Service Levels	KCMO Core	Northland	Eastern Jackson	Southern Kansas City	Johnson County	Wyandotte County	Total
Existing Services	42,000	800	1,000	5,000	1,000	2,600	52,400
Level 1	59,000	7,000	6,000	8,000	8,000	12,000	100,000
Percent increase	40%	775%	500%	60%	700%	362%	91%
Level 2	71,000	8,000	8,000	10,000	11,000	14,000	122,000
Percent Increase	69%	900%	700%	100%	1,000%	438%	133%

Source: *Metropolitan Transit Initiative Demand Assessment, Final Report*, TranSystems Corporation, in association with ETC Institute, Inc., the ROSE Research Group, LLC, and Balloffet & Associates, Inc., November 1998, p. 70.

Corresponding growth in the Northland, Eastern Jackson, and Southern Kansas City, Missouri, range from 100 to 900 percent. Anticipated ridership increases in Wyandotte and Johnson counties in Kansas are 438 and 1,000 percent respectively.

Transit delivery changes suggested by the MTIDA report include:

- **Community-based transit service.** Local transit service within a community. Service ranges from traditional fixed route scheduled service to demand response service for the general population. Such service could feed longer-range transportation services.
- **Regional connector service.** Service would provide connections between communities. This service is also likely fixed route but more direct and faster than local services.
- **Commuter express service.** The service provided is relatively high speed, provided to major employment areas for work trips. These services are primarily focused on downtown Kansas City, but could also include service to other high employment areas such as the Country Club Plaza, the College Boulevard area, and downtown Kansas City, Kansas.<sup>20</sup>

<sup>19</sup> *Metropolitan Transit Initiative Demand Assessment Final Report*, pp. 69, 70 and 76.

<sup>20</sup> *Metropolitan Transit Initiative Demand Assessment Final Report*, pp. 4, 68, and 69.



## Surveys Suggest Public Supports Increased Transit Spending

Surveys of area residents and employers found that most feel that currently, public transportation service is inadequate. In addition, most feel the level of transit funding should be increased.

The MTIDA report included survey results of metropolitan area residents<sup>21</sup> and employers.<sup>22</sup> Both groups were asked about their perceptions of the current transit system. The results are shown in Exhibit 12.

Exhibit 12. Perceptions of the Current Public Transit System

Perceptions	Residents	Employers
Good	6%	5%
Adequate	17%	35%
Needs improvement	42%	58%
Inadequate	27%	0%
Don't Know	8%	2%

Source: *Metropolitan Transit Initiative Demand Assessment, Final Report*, TranSystems Corporation, in association with ETC Institute, Inc., Rose Research Group, LLC, and Balloffet & Associates, Inc., November 1998, pp. 24 and 31.

When asked how the level of spending for public transportation should change over the next five years, almost half of area residents surveyed responded funding should be increased and one out of four responded funding should be greatly increased. Among employers included in the survey, over 8 out of 10 expressed similar sentiments. (See Exhibit 13.)

Exhibit 13. Perceptions of Public Transit Funding

Perceptions	Residents	Employers
Should be greatly increased	28%	44%
Should be increased	43%	43%
Should stay the same	21%	9%
Should be reduced	8%	1%
Don't know	0%	3%

Source: *Metropolitan Transit Initiative Demand Assessment, Final Report*, TranSystems Corporation, in association with ETC Institute, Inc., Rose Research Group, LLC, and Balloffet & Associates, Inc., November 1998, pp. 27 and 35.

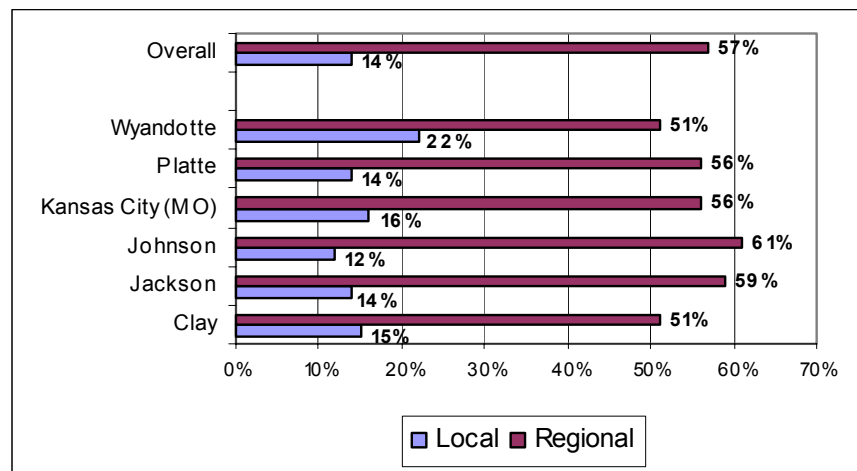
<sup>21</sup> Residents surveyed included those residing in Kansas City, Raytown, Independence, Blue Springs and Lee's Summit, Missouri; Jackson, Clay, Platte counties in Missouri; and Wyandotte and Johnson counties in Kansas. Households participating in the survey totaled 1,265. The results have a 95 percent level of confidence with a margin of error of +/- 2.8 percent.

<sup>22</sup> Employers surveyed were randomly selected from businesses that belong to various chambers of commerce throughout the metropolitan area. Employers surveyed totaled 578 with 153 persons employed on average. Businesses surveyed were located in Wyandotte and Johnson counties in Kansas and Jackson, Clay, and Platte counties in Missouri. The results have a 95 percent level of confidence with a margin of error of +/- 3.8 percent.

### Regional Transit Funding Is Preferred

A survey of metropolitan area residents found greater support for regional taxes for public transit than for local taxes. In the fall of 2000, a survey of area city and county residents asked whether they would be more likely to support a regional or local tax for public transit. Over half of the residents surveyed supported regional funding while no more than a quarter supported local taxes for the same purpose. (See Exhibit 14.)

Exhibit 14. Residents' Support for Local vs. Regional Taxes for Transit



Source: Year 2000 Metropolitan Transit Survey, (Completed for Mid-America Regional Council by ETC Institute in association with TranSystems Corporation), January 3, 2001, p. 12.

### Increasing Transit Funding Requires Pro-Transit Commitment by Area Political Leaders

A seamless transit system covering the entire Metropolitan Kansas City area will require increased funding on a regional level. Area transit experts and representatives from the Mid-America Regional Council and the Chamber of Commerce suggest that political leadership committed to the importance of public transit is necessary if area transit services are to improve.

Inadequate funding was repeatedly cited as one of the obstacles to establishing a regional system. Pursuit of regional funding, rather than increased contributions from local jurisdictions was cited as the better alternative. The Chamber representative cautioned however, that before seeking a funding increase, a well thought-out plan should be developed, clearly describing what funding increases will mean in terms of service improvements.

### **Potential Sources of Regional Funding Exist**

Under the compact that established KCATA, the Authority may charge and collect fees and rents; receive contributions from municipalities, counties, the federal government, any agency or other source; and issue notes bonds or other instruments.<sup>23</sup> State legislation in Kansas and Missouri also provides funding mechanisms, some of which have not been used.

**Untapped sources of KCATA funding.** Kansas statutes allow each of the boards of county commissioners of Johnson, Leavenworth, and Wyandotte counties to levy an annual tax on all tangible property in the county to administer functions in the Kansas City area transportation district.<sup>24</sup> To date, this revenue authority has not been utilized.

Missouri statutes allow for the creation of a transportation development district, encompassing all or any portion of the state's municipalities or counties. Establishing the district requires submitting a request to the voters in the proposed district, summarizing the transportation project (such as mass transit) and the funding mechanism that would be used.<sup>25</sup> This mechanism is not currently used to fund KCATA.<sup>26</sup>

**FOCUS recommends cooperative efforts.** The FOCUS governance plan includes several aspirations or goals. One aspiration concerns regional leadership. FOCUS recommends Kansas City continue to provide leadership and actively promote cooperation between governments for implementation of FOCUS service priorities that require metro-wide or intergovernmental action.<sup>27</sup>

On May 21, 2002, Kansas City's Mayor convened a meeting of other area mayors, council members, county commissioners, and officials to discuss regional transit. Participants included officials from Blue Springs, Harrisonville, Independence, Raytown, Kansas City, and Jackson, Clay and Platte counties in Missouri; and Olathe, Johnson, Leavenworth, and the Unified Government of Wyandotte/Kansas City, Kansas.

---

<sup>23</sup> Mo. Rev. Stat. § 238-010, Article III.

<sup>24</sup> K.S.A. § 12-2535.

<sup>25</sup> Mo. Rev. Stat. § 238-202 to 238-212.

<sup>26</sup> Transit Governance Study Report, p. 15.

<sup>27</sup> *Governance Plan*, (FOCUS Kansas City, October 30, 1997), p. 65.

**FOCUS supports regional public transportation.**<sup>28</sup> The FOCUS governance plan also recommends pursuing cooperative efforts under the leadership of MARC, the organization federally designated for the region's transportation planning.<sup>29</sup>

We recommend the Public Works Director prepare a resolution for Mayor and Council consideration supporting regional funding for transit, the best mechanism for developing a regional system. We also recommend the Mayor and City Council continue discussions with area decision-makers in other local municipalities and area county governments regarding the establishment of regional funding for public transportation. These efforts could be coordinated through the Mid-America Regional Council, which would provide a neutral location for these discussions as well as take advantage of their expertise on metropolitan-wide transit conditions.

---

## Recommendations

1. The Public Works Director should submit his recommended public transit policy to the Mayor and City Council for deliberation.
2. The Public Works Director should establish a mechanism to verify performance information reported by KCATA.
3. The Public Works Director should prepare a resolution for Mayor and City Council consideration supporting the August 6<sup>th</sup> ballot measure to increase Missouri Transportation taxes.
4. The Public Works Director should prepare a resolution for Mayor and City Council consideration supporting regional funding for a metropolitan-wide public transportation system.
5. The Mayor and City Council should continue discussions with decision-makers in other local municipalities and area county governments regarding the establishment of regional funding for public transportation.

---

<sup>28</sup> *Phase 1: The Policy Plan, A Strategic and Comprehensive Plan for Kansas City, Missouri*, (FOCUS Kansas City, 1994), p. 67.

<sup>29</sup> *Governance Plan*, (FOCUS Kansas City), p. 66.



---

## **Appendix A**

---

### **Prior Report Recommendations**



### **Prior Report Recommendations**

---

1. The City Manager should develop a city public transit policy that focuses on the development of a regional public transportation system.
  
2. The City Manager should add a transit component to the city's review process for development proposals. At a minimum, the transit component should identify the proximity of the planned development to available transportation services and if necessary, should include proposals to increase the accessibility.
  
3. The Public Works Director should ensure that future Kansas City Area Transportation Authority contracts:
  - a. Seek to implement the developed public transportation policy,
  - b. Include performance measures to determine success in meeting these goals and increasing ridership,
  - c. Specifically state the city is not a party in any labor negotiations with the Amalgamated Transit Union (Local 1287),
  - d. Establish a formal mechanism for communications between the city and KCATA to discuss significant operational changes in the system. These would include changes in Kansas City routes, such as the recently authorized conversion of selected routes to small buses.
  
4. The Public Works Director should establish the necessary mechanisms to monitor KCATA progress toward public transportation services, including the development of a regional public transportation system.





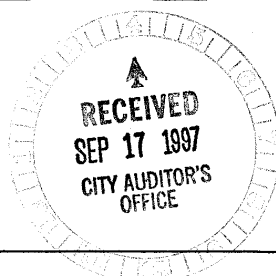
---

## **Appendix B**

---

### **ARTS Reports**



<b>Audit Report Tracking System</b>			
<b>1.</b>	<b>Audit Title</b> KCATA: An Effective Regional Transit System Is Needed	<b>2.</b>	<b>This Report Date</b> Sept. 5, 1997
<b>3.</b>	<b>Department</b> Public Works Administration	<b>4.</b>	<b>Last Report Date</b> N/A First Report
<b>5.</b>	<b>Department Head</b> George E. Wolf, Jr.	<b>6.</b>	<b>Contact Person/Phone</b> Robert Bromberg 274-2216
<b>7.</b>	<b>Audit Release Date</b> March 17, 1997	<b>8.</b>	<b>ARTS Number</b> 967-029-1
<b>9. Status of All Recommendations</b>			
	<u><b>Status</b></u>	<u><b>Date</b></u>	
1.	Completed	8/1/97	
2.	Completed	8/1/97	
3.	a. Completed	8/1/97	
	b. Completed	8/1/97	
	c. Completed	8/1/97	
	d. Completed	8/1/97	
4.	Completed	8/1/97	
<b>10. Recommendations Included in this Report</b>			
<p><b>Recommendation No.1:</b> The city manager should develop a city public transit policy that focuses on the development of a regional public transportation system.</p> <p>1. Completed</p> <p><b>Recommendation No. 2:</b> The city manager should add a transit component to the city's review process for development proposals. At a minimum, the transit component should identify the proximity of the planned development to available transportation services and if necessary, should include proposals to increase the accessibility.</p> <p>2. Completed. A KCATA representative is participating in Plats Review meetings and providing information regarding the proximity of planned developments to transportation services and is suggesting how accessibility can be increased.</p> <p><b>Recommendation No. 3:</b> The Public Works director should ensure that future Kansas City Area Transportation Authority contracts:</p> <ul style="list-style-type: none"> <li>a. Seek to implement the developed public transportation policy,</li> <li>b. Include performance measures to determine success in meeting these goals and increasing ridership,</li> <li>c. Specifically state that the city is not a party in any labor negotiations with the Amalgamated Transit Union (Local 1287),</li> <li>d. Establish a formal mechanism for communications between the city and KCATA to discuss significant operational changes in the system. These would include changes in Kansas City routes, such as the recently authorized conversion of selected routes to small buses.</li> </ul> <p>3. a) Completed. KCMO Transit Policy is included in current agreement with KCATA.</p> <p>b) Completed. The current agreement contains performance measures covering ridership, route effectiveness, safety and reliability and development of a regional transportation system.</p> <p>c) Completed. Included in the current agreement.</p> <p>d) Completed. The current agreement stipulates that the city's liaison will meet quarterly with KCATA staff and discuss significant operational changes in the system.</p>			

**Recommendation No. 4** The Public Works director should establish the necessary mechanisms to monitor KCATA progress toward improving public transportation services, including the development of a regional public transportation system.

4. Completed. The city's liaison meets monthly with the KCATA general manager to monitor KCATA progress toward improving public transportation services including progress toward the following performance goals which will help to bring about development of a regional public transportation system:
- a. Identify and establish joint marketing opportunities with other transit systems in the metropolitan area,
  - b. Establish transfers between transit systems in the metropolitan area,
  - c. Identify and develop opportunities for inter-jurisdictional service, and
  - d. Develop and obtain the City's concurrence to a cost sharing arrangement on new inter-jurisdictional service to make such service attractive to other jurisdictions in the metropolitan area.

---

## **Appendix C**

---

### **Public Works Director's Response**





**Public Works Department**

**DATE:** July 3, 2002

**TO:** Mark Funkhouser, City Auditor

**FROM:** George E. Wolf Jr., ACM / Director of Public Works

A handwritten signature in black ink, appearing to read "G. Wolf Jr.", written over the "FROM:" line.

**SUBJECT:** Revised Follow-up Report on KCATA

**KCATA and Public Works staff have reviewed and commented regarding the "Follow-up Report on KCATA. We have no further comments and agree with your recommendations 1 through 4.**

**c. Robert Collins, City Manager**

**Mark Huffer, General Manager KCATA**





---

## **Appendix D**

---

### **KCATA's Response**

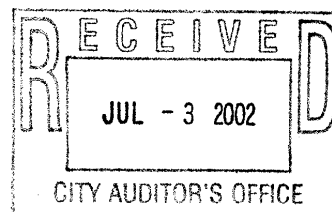




KANSAS CITY AREA TRANSPORTATION AUTHORITY

1200 EAST 18TH STREET  
KANSAS CITY, MO 64108  
(816) 346-0200

July 3, 2002



Mark Funkhouser  
City Auditor  
21<sup>st</sup> Floor, City Hall  
414 East 12<sup>th</sup> Street  
Kansas City, MO 64106

Dear Mark:

Thank you for the opportunity to review the KCATA Follow-Up Report to the 1997 Audit Report. In general we agree with most recommendations in the document and feel that it provides appropriate direction for creating and funding a regional public transit system. This correspondence will address each of the recommendations made in your report.

**1. The Public Works Director should submit his recommended Public Transit policy to the Mayor and City Council for deliberation.**

The public transit policy is a strong guideline for the ATA and the City to use as we shape transit development in the region. We stand ready to work with the City to review and revise the policy as situations may dictate.

**2. The Public Works Director should establish a mechanism to verify performance information reported by KCATA.**

The contract between ATA and the City requires that performance measures be established, monitored and reported to the City. ATA provides this information on a quarterly basis as well as in a year-end summary. ATA is pleased to provide the City with documentation on how the information is collected and analyzed and is willing to provide verification of this information to the City.

**3. The Public Works Director should prepare a resolution for Mayor and City Council consideration supporting the August 6<sup>th</sup> ballot measure to increase Missouri Transportation taxes.**

We welcome support from the Mayor and City Council regarding Proposition B for the statewide transportation plan. As you indicate in your report, the ATA is facing significant financial shortages in the near future. Unless new and additional funding for public transportation is identified, the ATA will be faced with the very real prospect of drastically reducing service and eliminating transportation alternatives.

Proposition B would result in an annual increase in revenue to ATA of approximately \$10 million. Support from the Mayor and City Council would be welcomed.

**4. The Public Works Director should prepare a resolution for Mayor and City Council consideration supporting regional funding for a metropolitan-wide public transportation system.**

We whole-heartedly agree with this recommendation and feel that it is perhaps the most significant finding in the entire report. Even if the state plan passes in August, the total investment in public transportation in Kansas City will still be significantly below that of our peer cities. Kansas City is one of the few large urban areas that funds transit through a dedicated tax only within the largest metropolitan area.

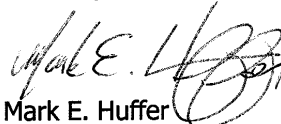
Approximately 95% of ATA's local funding comes from the City of Kansas City, Missouri. Consequently, most of the service is concentrated within the City of Kansas City. As residential, employment and retail centers have spread out further from the central core, transit has not kept pace with changing land use. The current funding structure restricts opportunities to provide service in a more regional nature.

Proposition B in and of itself will not provide sufficient funding for a regional transportation network. As such, regardless of the outcome of the August election, a regional funding mechanism will be required if transit is going to be made available to all parts of the community.

**5. The Mayor and City Council should continue discussions with decision-makers in other local municipalities and area county government regarding the establishment of regional funding for public transportation.**

We very much appreciate and support the discussions held to date on regional funding. The Mayor previously facilitated a meeting of elected officials from throughout the region to discuss this important issue. Given current and projected funding concerns, we support continued discussions in this regard and would be pleased to offer any assistance possible.

Sincerely,



Mark E. Huffer  
General Manager